

is truly a historic vote. I did not think I would see the day when we would have a credible budget conference report that would get us to balance, either in my public service or in my lifetime. By adopting this conference report we take the necessary steps to put our fiscal house in order and provide the benefits of a balanced budget to our children and grandchildren.

We all tell our children and grandchildren that it is good and important to have dreams and hopes. This budget will help our children and grandchildren make these dreams and hopes come true.

I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I thank the distinguished occupant of the chair.

Mr. President, the Republican budget before us purports to solve our deficit problem in 7 years. However, it will not do the job. For one thing, the budget claims balance by using billions of dollars in the Social Security trust fund. In some ironic way that is almost a joke because no company, no corporation—and I come with some experience having been the CEO of a major American corporation, the one that I helped build with a couple of other young fellows—none of them would dare propose to show their balance sheets, or their financial statement, as having been balanced using the company's pension fund.

By the way, Mr. President, I allow myself up to 20 minutes or such time less than that which I care to use.

The PRESIDING OFFICER. That is the Senator's right.

Mr. LAUTENBERG. Mr. President, no corporation would dare use the pension fund that does not belong to them as a line on their financial statement suggesting that in fact they have had a pretty good year. That would amount to absolute fraud. And I think any chairman or president of a company who signs such a statement, the financial officer, could be accused and charged with fraud, and could be charged with violation of the accounting rules that apply to public companies.

Meanwhile, my Republican colleagues claim that they are going to balance the budget in 7 years, but only by using billions of dollars in the Social Security trust fund that are reserved for senior citizens, the beneficiaries. I hope they will not break their arms patting themselves on the back about this.

In any case, Mr. President, there is a much larger question involved in this debate. And that question is Whose side are you on?

Those on the Republican side of the aisle are on the side of high-income people with lots of assets. And so it is not surprising that they advocate a tax cut for the wealthy.

They claim it will help the economy. I think it was at one point called trickle down. Trickle down was something like—I know this is a play on words—trickle-dee trickle-dum. But the fact is that trickle down economics did not work.

Meanwhile, Mr. President, we Democrats are here to represent ordinary Americans. The people who work every day, trying to provide for their families, trying to buy a home, a roof over their heads, trying to supply an education for their children, trying to reserve funds for their older age, or trying to help a parent. These people will not benefit by a tax cut to the rich.

Mr. President, the Republicans justify their budget by talking about debt. But there is a lot of confusion about debt.

Debt is a recognized and an acceptable aspect of personal and business life in this country. Show me a company, any company of size, a company doing \$50 million a year, \$100 million a year, probably a lot smaller than that, that does not have debt on its books, and I will show you a private company owned by perhaps one individual. But assume as soon as you get other owners in the business, public companies and so forth, it goes almost without saying that they need debt, that they need to borrow to expand, to invest in the future, to invest in research, product development, and marketing. That is the way it is.

What is the dream of the average American family? The largest asset that most Americans have is their home. And I do not know anybody, middle income, modest income, or rich, that buys a home for cash. They go to the bank or they go to a lending institution. They say, "Lend me money based on my collateral; the brick and mortar that was used to build my house, the piece of property that I own." And for many, throughout their lifetime of work, the largest asset that they acquire is their home or the equity in their home at such time as they dispose of it.

So it has to be with government at times. And we ought not to make phony comparisons of government to business or government to individuals. You hear the argument that American families balance their budget, so why not government. That is phony. Everybody knows that. Every American family lives like every American business conducts itself. They borrow money. It is part of our system.

Yet we should try to balance the operating budget. And there is no question that we need to do much more to cut wasteful spending and move in that direction.

There may be some disagreement about the date, whether it is the year 2002 or the year 2005. But both Democrats and Republicans share the overall goal.

The question is how do we get there and who pays the ultimate price? Whose side are you on?

We have heard our friends on the other side claim that they are not cutting Medicare, or that they are simply cutting into the growth of Medicare. The fact of the matter is that when you take \$270 billion out of Medicare over the next 7 years, with the huge growth in the number of beneficiaries, and rising medical costs, that money goes for less per person than it would otherwise. These cuts in Medicare will mean a cut of over \$3,300 per individual, almost \$7,000 per couple, over the next 7 years. And that is a lot of money for the average family. As a matter of fact, the average senior citizen today pays 20 percent of his or her income in out-of-pocket health care costs.

We are talking about people whose incomes at best are modest. Seventy-five percent of Medicare recipients have incomes under \$25,000 a year; 35 percent have incomes under \$10,000 a year. But we are talking about an average increase for those folks of \$3,300 per person, or roughly almost \$7,000 for a senior couple.

Student loans—it is going to cost students \$3,000 more over the period of a student loan. And the question is, who is going to be deprived of the opportunity to go to college?

Mr. President, I have heard lots of personal stories about our colleagues. There are some illustrious, distinguished careers that were built among people here in this body with relatively modest starts. And I was one of those people. I came from a family where my mother was widowed at age 36. I was 18 and had already enlisted in the Army to do what I had to in World War II. There was no money in that household—nothing. The modest allotment that I sent home was small. It helped my mother. She worked hard to take care of my sister and herself and to maintain the small apartment that they lived in.

When I got out of the service, I was 22. I wanted to go to college and was accepted to a fine university. Were it not for the GI bill, Mr. President, I do not know which way my career would have gone. But I created a business. I am actually a member of the hall of fame of an industry, the information processing industry, for what is called my pioneering efforts in building the service side of the computer business today larger than the hardware side of the computer business. A company I helped found with two other fellows today employees over 20,000 people. It is a wonderful story about America and the success that can be achieved here from three poor kids, and I was one of them. The other two are brothers.

It was the GI bill that sent me to Columbia University. Without that I never would have known which turn to take in the road, very frankly. But with that assistance from the Government, I made a contribution. It is an industry that employs over a million people today, and I take some measure of the credit for having helped create